

TO TAX SALARIES OF PUBLIC SERVANTS

President and Supreme Court Justices Included in Committee Plan.

LEGALITY IS QUESTIONED

Propose to Permit Payment of Income Levy in Three Instalments.

Special Dispatch to The Sun.
WASHINGTON, Aug. 7.—The Ways and Means Committee apparently went out of its way to-day to devise new and radical taxation schemes, and finally adopted tentatively a tax which the majority believe to be unconstitutional. This was an income tax on the salaries of all State, county and municipal officers, upon the income from State, county and municipal bonds and also upon the salaries of the President and all Justices, including the Justices of the Supreme Court, exempted by present law.

Other decisions of the committee were:
To repeal the general exemption of life insurance policies and the tax to portions of all insurance policies paid above \$40,000. Policies of \$40,000 and less will not be taxed.
To permit income tax payments to be made in three instalments, one-third at the time return is made, one-third within three months and the remainder within six months of making the return, with a discount of 1-3 per cent. for full payment at the time the return is made.

Want Officers Exempted.
Several members of the committee, led by Representative Fordney (Mich.), urged that the pay of army and navy officers be exempt, but no decision was reached.

In imposing the full income tax on the President's salary the committee believes that it is within its powers. The result would be that instead of the \$50,000 income tax which the President has had to pay he will be taxed more than \$24,000 a year out of his salary of \$75,000.
Doubt exists of the right of Congress to impose a tax on the salaries of State, county and municipal officers. The only pertinent decision known to members of the committee was rendered in 1869 by Attorney-General Hoar. He ruled that such a tax would be legal, as it would be a diminution of their salaries while they held office, which is forbidden by the Constitution.

Committee Disputes Ruling.
The committee does not agree that a tax should be construed as diminishing the salary of a Judge, but that he should pay an equal share with all other citizens.

Other members of the committee explained that the fundamental objection to the imposition of a Federal income tax on the salaries of State officials and on the income from State securities goes back to the fundamental principle of dual Government on which the United States is founded. It has long been an accepted principle, they pointed out, that States could not tax Federal incomes or incomes on Federal bonds, and that the Federal Government could not tax State officials or incomes from State securities. Otherwise it would be possible for the branches of the Government working at cross purposes to destroy each other.

HERR BALLIN QUITS COUNCIL

Hoetendorf of Hamburg-American Line Also Resigns.

Special Cable Dispatch to The Sun.
PARIS, Aug. 7.—According to a telegram from Hamburg, Herr Ballin and Herr Hoetendorf, Hamburg-American line heads, have handed in their resignations as members of the economic council for Mittel Europa.

It has been known that Herr Ballin on numerous occasions expressed himself as not being friendly toward a rigid application of the Mittel Europa idea. He feared that if Germany confined herself to too narrow an economic alliance it would be impossible for her to gain access to allied and neutral countries, which, after the war would most certainly adopt restrictive measures.
The decision to establish preferential tariffs has already been taken by the German Cabinet, and this caused considerable anxiety in Germany, and very probably evoked much discussion among German economists.

STEEL INCREASE PROMISING

Record Ore Shipments Made on the Great Lakes.

Special Dispatch to The Sun.
WASHINGTON, Aug. 7.—A big increase in the steel output of the nation to meet the war demands is foreseen by the Shipping Board as a result of record ore shipments on the great lakes during July.

Notwithstanding the transfer from the great lakes of a considerable number of seagoing vessels, ore shipments are steadily increasing. In July, 650,000 tons of ore were brought from the Lake Superior mines, the highest monthly total ever recorded.

These results were achieved by speeding up the operations of the lake fleet on the same principles as those applied in transatlantic service.

PREFERENCE PLAN HELD UP

England Will Discuss Action With Allies, Says Curzon.

LONDON, Aug. 7.—Earl Curzon of Kedleston, Government leader in the House of Lords, in a speech to-day said the Imperial War Cabinet had not yet discussed the subject of imperial preference. The Government, he added, would act in the matter in concert with its allies, and especially the United States.
At the end of the war the British Empire and the United States would control the greater part of the raw material of the world. Earl Curzon continued, and if it were necessary to use this power against the enemy it could only be done to advantage by a general agreement among the Allies.

ROBERTSON WINS IN OKLA.

Owen and Prentiss Congressmen Are Re-elected.

OKLAHOMA CITY, Okla., Aug. 7.—Returns from yesterday's statewide primary election to-day continued to increase the lead of Judge J. B. Robertson, Democratic candidate for the nomination for Governor, who apparently has been nominated over his opponents, W. L. Alexander and W. H. Murray. Unofficial estimates placed Judge Robertson's lead at 15,000 votes.

Seven Air Deaths in Week

WASHINGTON, Aug. 7.—Seven deaths in airplane accidents at army aviation fields throughout the country during the week ended July 27 are shown in the weekly summary made public to-day.

FRAUDULENT MORTGAGES

THE other day a lawyer was sent to jail because he had taken money from a client and given her in exchange a fraudulent mortgage.

You do not run any such risk when you get mortgages from the Title Guarantee & Trust Company.

If, in addition, they are guaranteed by the Bond & Mortgage Guarantee Company you do not risk losing any of your principal or interest.

There is no investment so safe as the guaranteed mortgage that you get from us.

TITLE GUARANTEE AND TRUST CO.
Capital \$5,000,000
Surplus \$1,000,000
176 B'way, N. Y. 175 Nassau St., Jamaica, 350 Fulton St., Jamaica.

AVIATION FIELD IS RAZED BY STORM

Nineteen Killed, Twenty Injured in Hurricane in Louisiana.

LAKE CHARLES, La., Aug. 7.—Nineteen persons were killed, twenty injured, some probably fatally, Gerstner aviation field near here, was virtually demolished, and other property damage estimated at thousands of dollars, caused by the tropical hurricane, which struck southwestern Louisiana yesterday, according to information that reached here to-night from the storm swept district.

Two persons were killed at Gerstner Field, where it was reported the twenty of the twenty-four hangars had been razed and many airplanes either destroyed or blown away completely.
Those killed at Gerstner Field were Sergeant George MacGee and Private Lester Williams. Their addresses were not announced nor were details of the manner in which they were killed made public.

Ten persons were killed at Lake Charles, four at De Quincey and three at Big Lake.

Hardly a building in Lake Charles escaped damage, more than a hundred being entirely demolished.

Electric light, telegraph and telephone wires were down and the city was in darkness last night.

Leut. Fattler of Gerstner aviation field was placed in charge of the volunteer police, to cooperate with the regular police and soldiers from Gerstner field.

The storm lasted about two hours, striking the city at 2 o'clock. It blew with full force until 4 P. M., at which time it was a velocity estimated at 120 miles an hour. Ryan street, the principal business thoroughfare, suffered great damage.

Many trees started, entangling a heavy loss. The large plant of the Cuneis Shipbuilding Company on the outskirts of Lake Charles was burning early to-day.

ELKINS LEADS IN W. VA.

Primary Race for U. S. Senate Proves Close.

WHEELING, W. Va., Aug. 7.—The result of the statewide primary election held in West Virginia yesterday is still in doubt despite the operation of the new double election board system. Out of 1,790 precincts in the 55 counties only 567 have been reported. The delay is said to be due to the congested telephone and telegraph lines. Only one county has thus far made its full return, Ohio county, in which this city is located. The complete vote in by midnight last night.

While both former Senator Davis Elkins and Virgil Highland claim the Republican nomination for United States Senator, the face of the returns shows Elkins leading Highland by 67 votes. James A. Hughes and Joseph H. Gaines, both former Congressmen, have practically been eliminated from the Senatorial race.

In the Democratic contest the race is not so close. Elkins has 47 per cent of the vote on this ticket, former Senator Charles W. Watson is leading Senator W. E. Chilton by 991 votes.

SENATOR THOMPSON WINS

Arthur Capper Will Be Republican Opponent in Kansas.

TORPEA, Kan., Aug. 7.—With Gov. Arthur Capper and Henry J. Allen far in the lead for the Republican nomination for United States Senator and Governor respectively, interest in yesterday's primary centered to-day upon the outcome of the contests for the Democratic nomination for Governor and for Representative in Congress.

Late returns indicated W. C. Landson had defeated Harry Gray for the Democratic nomination for Governor, but Gray's defeat was by no means conceded. United States Senator William Howard Thompson apparently has been nominated by the Democrats over George McBride.

VETERAN ZEPPELIN COMMANDER SLAIN

Leader of Many Raids Lost With Crew.

AMSTERDAM, Aug. 7.—Capt. Strasser, one of Germany's most successful squadron commanders in Zeppelin attacks, and the entire crew of the Zeppelin which led the attack toward the British coast Monday night perished when the dirigible was shot down over the North Sea.

An official communication from Berlin, dealing with the attempted raid on the east English coast, was received here to-day. It said the raiders caused heavy damage in bombing attacks but that Strasser and his crew probably met a heroic death. The text of the communication follows:

"Monday night one of our airship squadrons, commanded by Capt. Strasser, was successful in attacking the enemy airships attacking us. The airship was shot down over the North Sea.

"With his brave crew Capt. Strasser probably met a heroic death. All the other airships participating in the attack have returned without losses or damage, despite strong resistance."

GEORGE SEES BAR TO PEACE WITH FOE

Continued from First Page.

especially anxious that steps be taken to make known, not only here, but in America, the gigantic character of the task we are doing.

"Unless the Allies had been completely triumphant at sea from the outset of the war no effort on the land could have saved them. The British fleet has been mainly responsible for that complete triumph, which could not have been secured and maintained without gigantic efforts in men and material. And without such efforts the military would be ruinous to the forces of the Allies.

"I could like to point out, in dealing with the army and its growth, that the maintenance of the navy and the maintenance of the air force are the first charge on the resources of the military. The military effort has been subject to the demands of these obligations on our resources in men and material, yet, since August, 1914, including those directed by the colors, Great Britain alone has raised for the army and the navy 6,250,000 men, for the most part voluntarily. The Dominions contributed 1,000,000 and India 1,250,000.

"If America were to call to the colors the same number of men as Great Britain, in proportion to population, it would mean nearly 15,000,000 men.

"On the western front, after the enemy had been relieved of all apprehension on the eastern front because of the British-Germany offensive, the Germans brought all their best divisions against us and our Allies. Therefore, when the German offensive began March 21 the Allies were confronted by the fiercest of the German army, which had rested and made preparations specially for the great blow, while the French and the British were still recovering from the effects of our part in the most exhausting conditions.

Enemy Had Advantage.
"Considerable American forces had been expected to reach the battle front by spring, but as a matter of fact on the 21st of March there was only one American division in the line, although there were three or four divisions behind the line, which were brought up after the attack began.

"The weather conditions were the most favorable that the enemy could have chosen. Our united command was not yet an accomplished fact, in spite of all endeavors to achieve it, and each General was mainly concerned over the peril of his own front, so that when the blow came the reserves of the Allies were not available to meet it where it fell.

"Those were the conditions under which the long prepared and carefully planned blow of the picked troops of Germany fell upon the British army. The enemy's object was to obtain a military decision this year, before the American army could come up, first of all by severing the two armies and then attacking the separated French and British forces.

Valor of British Arms.
"We must understand the enemy plan in order to realize what the valor of the British army achieved. If the two objects had been obtained the American forces could not have arrived in time to save the French army. That was the German calculation. Let us not forget in the light of what happened after the attack that it was not such an impossible effort.

"How did the German plans prosper? There has been four and a half months of such fighting as never before seen on the face of the globe. What happened? At first the German army achieved considerable success, and we anxiously awaited the next move. Those who knew most of the situation were the most anxious. Our losses were considerable in men, in material and in prisoners.

"The second German blow might very well have overwhelmed the British army, but before the battle was over, in a fortnight's time, 260,000 men were thrown across the Channel and in a month's time 355,000. Every gun had been put back and every machine gun replaced. Not merely had the deficiency been supplied but the number had been increased.

"At this moment there are more guns and more machine guns with the army than at any time in the history of the world. The German army, which was the first German miscalculation. They calculated that we could not do it.

"We owe a debt of gratitude to a section of the press for spreading the word that the German army had been defeated. They had not. They had been able to make up the deficiency, and the Germans made their plans accordingly.

Enemy Forced Back

"They hit here, they hit in the south, in the center and in the north, where they thought they were destroying the British army, with nothing behind it. Six weeks they pushed back and forced to retreat by the British army. They were defeated in two of the most sanguinary battles of the war. They were left unhappily salient under the weight of our guns and with an extended line.

"Their purpose was to overwhelm the British army. They declared it and they announced it in their inspired press, but on the 1st of May they left us to go south to make another attack, for it could not be done in the north. It was one of the finest things in the history of the world in the whole history of the British Empire.

"Only a great emergency could have justified the sending of 1,000,000 men to the front in May. They were not there for a month's training. When they arrived they went straight to the front, and as soon as they were there they had to face the veterans and the victorious troops of the enemy. But our veterans ever fought with greater steadfastness than these lads who helped to save the cause of the Allies from disaster.

"After the enemy's experience in that six weeks of fighting, although we know that the plan was the British army was not attacked again. The Germans may come again, but that will be because they have failed elsewhere.

Tribute to Foch

"I wish to give warm recognition to the assistance that the French gave in these operations. After May 1 the Germans turned off and attacked the French. They won a preliminary success on a considerable scale, but not merely a few miles. They were forced to a standstill by Marshal Foch, but his counter stroke—the most brilliant in the annals of the war—has driven back the enemy. The danger is not yet over, but he would be a sanguine man on the German General Staff who now would predict that Germany could obtain a military decision this year.

"I do not wish to go beyond that. In analyzing the elements of the allied success stress should be placed on the rapidity with which the British made good their losses and the rapidity with which the American troops were brought over. These two matters are essential parts of the German miscalculation. In July 205,000 American troops were brought over, 155,000 of them in British ships.

"Everybody knows how gallantly the Americans fought. They fought with a trained skill which no one had a right to expect. Their officers showed a skilled knowledge in the management of the men under trying conditions which could hardly expect from men who had not had a year's experience in war.

"Another element of success was the

MADDOO URGES 80 PER CENT. WAR TAX

Men Who Make Huge Profits on Material Should Pay Flat Rate.

AVOID OTHER INCREASES

Says Interest on Next Liberty Bonds Will Not Be Increased.

CHICAGO, Aug. 7.—William G. Maddoo, Secretary of the Treasury, today declared himself unreservedly in favor of a flat war profits tax of 80 per cent.

"The adoption of an 80 per cent. war profits tax should render unnecessary, I believe, under any circumstances, in the existing excess profits tax rate," he declared.

In presenting his views on tax measures now before Congress, Secretary Maddoo addressed the following telegram to Chairman Kitchin of the Ways and Means Committee of the House of Representatives:

"Roper has advised me of his talk with you Wednesday last. I greatly appreciate assurance you gave me of your desire to meet as far as possible the views of the Treasury. I should be very sorry to have progress on the revenue bill delayed for conference concerning war profits tax. I understand the bill, and I believe under any circumstances, in the existing excess profits tax rate," he declared.

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ALLIED TONNAGE SHOWS BIG GAINS

British Admiralty Reports on Three Months Work.

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LONDON, Aug. 7.—The Secretary of the Admiralty in announcing the amount of the merchant ships constructed for the three months ended June 30 says the output of the United Kingdom and allied and neutral countries exceeded the losses from all causes by 294,096 gross tons. The total output was 1,243,274 tons, as against 970,317 tons for the first quarter of the year. The United Kingdom built 442,966 tons, as compared with 329,240.

During July the United Kingdom constructed 141,948 tons, as compared with June's 134,159 tons, which compared with July, 1917, shows an increase of 174 per cent and 71 per cent respectively. The United Kingdom's total output for the first seven months of the year was 3,051,194 tons. For the year ended July 31 the output was 1,490,025, compared with the same period of the previous year, 945,147 tons.

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FREE DOM FOR RUSSIA

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